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A BRIEF SUBMITTED TO
The Royal Commission on Coal

Hon. Mr. Justice W. F. Carroll, *Chairman*

Hon. Mr. Justice C. C. McLaurin

Angus J. Morrison, Esq.

By

DISTRICT NO. 18

UNITED MINE WORKERS OF AMERICA

CALGARY, ALBERTA

April 3rd, 1945





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CALGARY, Alberta,

April 3rd, 1945.

To the Royal Commission on Coal:

Honourable Mr. Justice W. F. Carroll,

Honourable Mr. Justice C. C. McLaurin,

Mr. Angus J. Morrison.

Sirs:

District 18, United Mine Workers of America, represents the organized mine workers of the Provinces of Alberta and British Columbia. It was first organized in 1903, and signed its first agreement in that year with the Crow's Nest Pass Coal Company, Limited, at Fernie, British Columbia. In the following years it signed contracts with other coal companies and in 1907 held its first joint conference in the City of Calgary where an agreement was consummated with several coal companies then operating in Alberta and Southeastern British Columbia.

During the years that followed, as coal mining developed, the United Mine Workers of America was the bargaining agent for the mine workers in every coal field in Alberta and British Columbia with the exception of Vancouver Island, British Columbia, which was not organized until the year 1937. Like other organizations, it has had its setbacks, but has always been in the forefront of the struggle in the interests of the mine workers.

In order that the Commission may know the basis on which our Organization functions, we can do no better than state the "Preamble" to our International Constitution:

"There is no truth more obvious than that without coal there could not have been such marvelous social and industrial progress as marks present day civilization.

"Believing that those whose lot it is to toil within the earth's recesses surrounded by peculiar dangers and deprived of sunlight and pure air, producing the commodity which makes possible the world's progress, are entitled to protection and an equitable share of the fruits of their labour, we have formed the 'United Mine Workers of America' for the purpose of establishing, by lawful means, the principles embraced in the body of this Constitution."

The objects of our Organization are as follows:

"First. To unite in one organization, regardless of creed, color or nationality, all workers eligible for membership, employed in and around coal mines, coal washeries,, coal

processing plants, coke ovens, and in such other industries as may be designated and approved by the International Executive Board, on the American continent.

"Second. To increase the wages, and improve the conditions of employment of our members by legislation, conciliation, joint agreements or strikes.

"Third. To demand that not more than six hours from bank to bank in each twenty-four hours and not more than five days per week shall be worked by members of our Organization.

"Fourth. To strive for a minimum wage scale for all members of our Union.

"Fifth. To provide for the education of our children by lawfully prohibiting their employment until they have at least reached eighteen years of age.

"Sixth. To secure equitable statutory old-age pensions, workmen's compensation and unemployment insurance laws.

"Seventh. To enforce existing just laws and to secure the repeal of those which are unjust.

"Eighth. To secure by legislative enactment, laws protecting the limbs, lives and health of our members; establishing our right to organize; prohibiting the use of deception to secure strike breakers; preventing the employment of privately armed guards during labor disputes; and such other legislation as will be beneficial to the members of our craft."

Today our Organization has a membership of approximately 9,500 in Alberta and British Columbia, and has signed agreements on a Closed Shop basis in all of the coal mining fields of these two Provinces with the following companies:

BITUMINOUS FIELDS

Canadian Collieries (Dunsmuir) Limited,
Nanaimo, British Columbia,
(Mines at Nanaimo and Cumberland);

K-D Collieries, Limited,
Kaydee, Alberta;

Princeton Tulameen Coal Company, Limited,
Princeton, British Columbia;

Tulameen Collieries Limited,
Princeton, British Columbia;

Western Canada Bituminous Coal Operators'
Association:

520 Lougheed Building,
Calgary, Alberta;

Member Coal Companies are:

Brazeau Collieries, Limited,
Nordegg, Alberta;

Cadomin Coal Company, Limited,
Cadomin, Alberta;

Canmore Mines, Limited,
Canmore, Alberta;

Crow's Nest Pass Coal Company, Limited,
Ferne, British Columbia,
(Mines at Fernie and Michel, B.C.);

Hillcrest-Mohawk Collieries, Limited,
Bellevue, Alberta;

International Coal & Coke Company, Limited,
Coleman, Alberta;

Luscar Coals Limited,
Luscar, Alberta;

McGillivray Creek Coal & Coke Company, Limited,
Coleman, Alberta;

Mountain Park Coals, Limited,
Mountain Park, Alberta;

West Canadian Collieries, Limited,
Blairmore, Alberta;

(Greenhill Mine, Blairmore, and
Bellevue Mine, Bellevue, Alberta).

DOMESTIC FIELDS

Aetna Coal Company,
Rosedale Ferry, Alberta;

Alexo Coal Company, Limited,
Alexo, Alberta;

Balogh Coal Company,
Carbon, Alberta;

Big Horn and Saunders Creek Collieries, Limited,
Saunders, Alberta;

Carbon Black Coals,
Carbon, Alberta;

Drumheller Coal Operators' Association,
Drumheller, Alberta:

Member Coal Companies are:

Atlas Coal Company, Limited,
East Coulee, Alberta;

Brilliant Coal Company, Limited,
Drumheller, Alberta;

Commander Coal Company,
Drumheller, Alberta;

Empire Collieries, Limited,
East Coulee, Alberta,
(Empire Mine and Arcadia Mine);

Hy-Grade Coal Company, Limited,
Drumheller, Alberta;

Maple Leaf Minerals, Limited,
East Coulee, Alberta;

Midland Coal Mining Company, Limited,
Drumheller, Alberta;

Monarch Coal Mining Company, Limited,
Nacmine, Alberta;

Murray Collieries, Limited,
East Coulee, Alberta;

Newcastle Collieries, Limited,
Drumheller, Alberta;

Red Deer Valley Coal Company, Limited,
Drumheller, Alberta;

Rosedale Collieries, Limited,
909 Lancaster Building,
Calgary, Alberta,
(Star Mine, Aerial P.O., Alberta),
(Rosedale Mine, Rosedale Mine P.O., Alberta);

Western Gem and Jewel Coal Company, Limited,
Rosedale, Alberta;

Edmonton Field:

Banner Coal Company, Limited,
Edmonton, Alberta;

Beverly Coal Company, Limited,
Beverly, Alberta;

Edmonton Collieries, Limited,
Edmonton, Alberta;

Great West Coal Company, Limited,
Edmonton, Alberta;

Kent Coal Company,
Edmonton, Alberta;

Red Flame Collieries,
Round Hill, Alberta;

Red Hot Coal Company, Limited, The,
Edmonton, Alberta;

Riverdale Coal Company, Limited,
Namac, Alberta;

Sarnis Collieries,
Edmonton, Alberta;

Foothills Collieries, Limited,
Foothills, Alberta;

Ideal Coal Company, Limited,
Wayne, Alberta;

Inland Coal Company, Limited,
Three Hills, Alberta;

Lakeside Coals Limited,
Robb, Alberta;
(Mines at Mile 33 and Wabamun, Alberta);

Lethbridge Field:

Chester Mine,
Lethbridge, Alberta;

J. J. Hamilton Coal Company,
Lethbridge, Alberta;

Lethbridge Collieries, Limited,
Lethbridge, Alberta,
(Mines at Lethbridge and Shaughnessy, Alberta);

New Royal View Mine,
Lethbridge, Alberta;

McLeod River Hard Coal Company (1941) Limited,
Merecoal, Alberta.

Peerless Coal Company,
Carbon, Alberta;

INDUSTRIAL RELATIONS

As indicated in the foregoing it can be readily seen that our Organization is under contract with all major coal companies in the various coal fields of Alberta and British Columbia. The District Organization maintains the same policy in its dealings with each section of the industry, or group of employers within the industry, and endeavours to have rates of pay and working conditions standardized in order that no operator, or group of operators, may enjoy an advantage over his competitor through the payment of lower rates or through the creating of unfavourable working conditions, although it is true that some operators have a decided advantage in natural conditions. In other words, our Union is definitely opposed to placing a premium on the development of uneconomic properties at lower wage rates, which ultimately come into competition with efficient operations.

Having in mind the wide diversity of mining operations and the many interests who manage and control the different properties, we would readily say that industrial relations on the whole are good. We do find, however, that employment plays an important role in the determining of industrial relations. For many years prior to the outbreak of war the coal miners of Western Canada suffered severely through unemployment conditions in the coal mines of Western Canada. The steam coal areas, while operating all the year round, were reduced to two and three days per week and in some cases, in some seasons of the year, to one and two days per week; while the Sub-Bituminous areas were closed down entirely six and seven months of the year and worked less than full time for the remaining period.

During such years, there was a tendency on the part of some coal operators to endeavour to avoid the just payment to their employees of

their contractual obligations, thereby creating friction and distrust. This condition, however, did not apply to all coal operators, for in a great number of instances, despite the condition of the industry, they endeavoured to pay their workmen at the rate they had contracted by agreement to do.

We find that since 1939 with a ready market for coal and steady work available that industrial relations on the whole are better, and in our judgment, compare favourably with industrial relations in any other part of Canada.

TARIFFS

In view of the Coal Industry of Canada being located in the extreme East and extreme West, we deem it advisable to deal briefly with the Tariff Policy of Canada, as it particularly affects Western Canada, in a general way.

For many years prior to World War I, Canada was one of the most important primary producers of the world. Such production was divided mainly between agriculture, forestry and mining. Between 1914 and 1918 Canada developed an important secondary production which consisted largely of manufactures. When the war ended in 1918 the Dominion was at the parting of the ways. She might abandon an enormous capital investment, cut down her production and resign herself to mediocrity as an inferior power; or she might maintain that economic hold and compete for the export markets of the world. Canada chose the second course and succeeded with such a measure of success that by 1928 she had risen to fifth place among the manufacturing nations of the world.

The course that was followed required the maintenance of a high tariff policy which bore heavily upon those engaged in primary industries. The people engaged therein had to pay what amounted to a virtual bonus to the protected manufacturing industries. A number of years ago the late Honourable Norman Rogers, then a professor at Queen's University at Kingston, made an exhaustive examination of the incidents of the Canadian tariff. On page 88, chapter 7, of his report he calculated the tariff costs to the three Prairie Provinces on a total and per capita basis as follows:

	<i>Total</i>	<i>Per Capita</i>
Manitoba.....	\$ 9,274,769	\$13.25
Saskatchewan.....	25,952,335	28.16
Alberta.....	19,698,248	26.93
	<hr/> \$54,925,352	<hr/> \$22.78

Dr. Jacob Viner, Professor of Political Economy at the University of Chicago, was retained by the Province of Manitoba to present a brief to the Royal Commission on Dominion-Provincial Relations in 1938 with respect to the burden on the Prairie Provinces as a result of the Dominion tariff policy. He reached the conclusion:

"We, therefore, obtained after making all corrections for which we could find a reasonable basis, \$47 million as our final estimate of the added cost to the people of the Prairie Provinces in a year of normal expenditures resulting from the price enhancement brought about by the Canadian protective tariff."

The tariff policy followed during the depression years added to the difficulties of the Prairie Provinces. During 1930-32, the tariff was sharply raised. Every major secondary industry was granted higher duties and Canada changed from a country of moderate to one of high protection (page 58, book 1, Report of the Royal Commission on Dominion-Provincial Relations). The averages of General and Intermediate rates (which applied to over four-fifths of the total imports) on all manufactured goods were raised by nearly 50 per cent. All the important commodities and general consumption were made subject to substantially increased duties. The average on the rate on textiles rose by about one-fourth in the Preferential schedule and by two-thirds in the Intermediate and General schedule, while wool and artificial silk duties were approximately doubled. Tariffs on boots and shoes and furniture were boosted by about one-half. Virtually every branch of the iron and steel industry received added protection by an increase in duties. Subsequently there has been some lessening of the tariff burden on the Prairie Provinces, notably in the case of farm machinery.

On page 159 of the Report of the Royal Commission on Dominion-Provincial Relations it states:

"The increase in protection held the domestic market for the Canadian producers and thus helped to maintain employment and income in the manufacturing industry."

It stated, however, that Western Canada was forced to bear a very heavy burden as a consequence and the raising of tariffs worsened a situation which was already highly unfavourable.

Canada's manufacturing is centered in the Provinces of Ontario and Quebec. The Canada Year Book, 1943-44, says that in 1941 the gross value of the products manufactured in Ontario totalled \$3,121,756,566, or 51 per cent of the whole Dominion, while the gross value of the industrial production of Quebec was \$1,841,088,523, or 30 per cent of that of the whole Dominion. Combined, these Provinces did 81 per cent of the Canadian

manufacturing in 1941, or \$4,962,845,091. The total Canadian manufacturing that year was \$6,076,308,124.

On the other hand, the gross value of the manufactured products in the Prairie Provinces in 1941 totalled only \$450,207,219 as follows:

Manitoba.	\$211,534,751
Saskatchewan.	96,020,975
Alberta.	142,651,493

Of this total of Prairie manufacturing, 43 per cent was the output of factories processing farm products as follows:

Slaughtering and packing.	\$112,951,716
Butter and cheese.	44,062,012
Flour and feed.	38,575,041
Total.	\$195,588,769

It will thus be seen that the three Prairie Provinces did only about 7½ per cent of the total manufacturing in Canada. Alberta's share was less than 2½ per cent.

The Prairie Provinces furnish a substantial market for the goods manufactured in Ontario and Quebec. On the other hand, the Prairie Provinces have difficulty in finding an outlet for their principal products; namely, farm products and coal.

Sir George Paish, eminent British economist, wrote a series of articles for the *Financial Post* of Toronto in the summer of 1937 in which he made the following observations regarding Western Canada.

"Another reason for the slow development of Western Canada is the policy of high protection, which, until recently, has been so strenuously pursued and demanded by the manufacturing interests of Eastern Canada.

"If anything, Eastern Canada should pay a bonus to those who go to live in Western Canada in order that they might not find their task too difficult or conditions too strenuous.

"When Western Canada has a much larger population than it has today and enjoys a much greater income, the manufacturers of Eastern Canada will be greatly benefited as will everyone else. Therefore, what they need to do is to promote the development of the West by every means in their power. . .

"This would not mean that the manufacturers of Eastern Canada will sell less to Western Canada than hitherto; they will sell more."

The above facts are related to show the economic disadvantages caused by the Canadian tariff policy to the Prairie Provinces. In war times, of course, the situation changes as there is an overwhelming demand for all primary production. The primary production of the Prairie Provinces, mainly food products and coal, have been of vital importance in recent years. If it has never been appreciated before, the great area of land in Western Canada known as the Prairie Provinces and including Manitoba, Saskatchewan and Alberta has come into its own during the war years. Each Province has an area of over 250,000 square miles. Only one of the States which go to form the United States of America is larger and that is Texas with an area of 285,000 square miles. Germany has an area of but 180,000 square miles.

The Prairie Provinces of Canada are engaged principally in primary production as shown previously in this brief. This statement applies particularly to Saskatchewan and Alberta. In a survey conducted by the Edmonton Chamber of Commerce in 1937, it was found that 90 per cent in value of all goods sold by twenty leading wholesale houses in that City were purchased outside of Alberta. Furthermore, it was estimated that Alberta buys from other provinces and countries 75 per cent of all that its people buy at retail stores, from mail order houses or as implements of production. (See presentation of Edmonton Chamber of Commerce to Commission on Dominion-Provincial Relations). By reason of the Federal tariff policy most of the imports into the Prairie Provinces cost their users much more than if they could have been bought in open world markets and imported without tariffs. On the other hand, Federal tariff policy is of little actual benefit to primary producers. There are very few products of the Prairie Provinces whose sale in Canada can be promoted under Federal tariff policy, and even those few products do not receive any such degree of tariff protection as is enjoyed by articles which the Prairie Provinces must import from other Provinces. The result is that the Prairie Provinces must sell the great bulk of their products without any assistance from Federal tariff policy and, at the same time, are required by that policy to pay an excess on the great bulk of what their people buy. The Honourable Norman Rogers, after careful consideration of the whole question of Canada's tariff policy, reached the following conclusion (1934)

"National tariff policies have a tendency to enrich the economy of two Provinces at the expense of the remainder. This fact is of the utmost importance in determining the wisdom or unwisdom of the policies in question and also its bearing upon the constitutional and financial relationship of the Dominion and the Provinces."

It might be asked. What are the prospects of a substantial decrease in Canadian tariffs? While a certain amount of lip-service has been given to the idea, there is no evidence of a definite trend in that direction. Ontario

and Quebec which, as mentioned previously, do over 80 per cent of Canadian manufacturing, contain the largest percentage of the country's population and hence possess predominant political power. Such being the case, it is most unlikely that any Government of Canada would take any action which might harm the industrial life of those two Provinces. The late Professor Stephen Leacock wrote in 1932

"We in Canada are fairly well agreed upon the policy of protection to manufactured goods. No party in power since Confederation has sought to abolish it. Now, as everybody knows, there is no great possibility for a market for British manufactured goods in Canada. This country has staked too much in the manufacturing industries to be willing to destroy them now and, short of destruction, we could not allow British manufactured goods to compete with our own. . . Without our protective tariff we could not maintain our manufacturing system."

If that was true in 1932, how much more so is it today when, due to the need for enlarging Canada's manufacturing plants to provide an enormous production of war material, Canada's industrial life has come through another great expansion movement.

The Federal census report for 1941 showed that the Prairie Provinces had a loss in population between 1931 and 1941 of 248,937 people. The population figures for this area showed an actual gain of 45,063 people in the ten-year period, but there was a natural increase of 294,000 so the net loss in population in the decade was close to a quarter of a million people. Professor W. J. Warnes, economist with the University of Manitoba, in his publication, "Prairie Population and Possibilities", a study prepared for the Commission on Dominion-Provincial Relations, said

"On the basis of past experience it might be said that 18 million acres of land still available in the Prairie Provinces of Canada will accommodate not more than 200,000 or 250,000 additional people unless a lower standard of living be acceptable to the new settlers. It seems clear that there is little prospect of the land already occupied accommodating a larger rural population."

This would suggest that in order to realise the larger destiny which the size and resources of this area would indicate possible, attention must be directed and encouragement given to other branches of human activity thereon. Enormous deposits of coal in Alberta provide a national asset of the greatest value which should be developed on a national basis. The best means of so doing is through a Federal Government coal policy which will result in expanding the markets for Alberta coal. It is submitted that such a policy will be of benefit not only in providing labor through the re-

moving of coal from the mines, but also in transportation, distribution and in the industrial developments which would ensue. In the report of the Advisory Committee on Reconstruction (F Cyril James, Chairman, September 24, 1943) this statement is made on page 30

"There are also particular phases of the mining industry of Canada which call for special attention in the post-war period and which can be referred to here only in outline. One of these is the fuller development of our coal resources with a view to stimulating industrial development."

It has been said that Canada as a nation is a "geographic anomaly". Be that as it may, the basis of our destiny was framed in 1867, the year of Confederation. Since then a comparative handful of people which form the Canadian nation have built this Dominion to a place of honor and respect among the nations of the world. Great problems have been faced and surmounted. Canada's accomplishments in war and peace have been of high order, worthy of a free, energetic and determined people. Even greater things can be done in the future if all Canadians study and concern themselves over our major economic problems. It is submitted that the development of the coal fields of Alberta is one of these major problems.

The world now knows that Canada is a great nation in the making. The Dominion has tremendous natural resources, the ability to produce food in abundance and the greatest opportunity facing any young nation in the world today. What is needed now is decisive and energetic action to see that the Nation's resources are developed speedily in order that there may be employment, not only for the returning soldiers and those now engaged in various occupations, but also for many thousands of those who may want to come to Canada to make their homes in this great Dominion.

NATIONAL FUEL POLICY

Coal with its abundant source of energy affects the livelihood and well-being of our Nation. It ultimates into munitions for our fighting forces, light, heat, synthetics, plastics, and innumerable commodities for our civilians, as well as horse-power for our transportation system. With adequate reserves available, it is high time that a National Fuel Policy was brought into being to deal intelligently and effectively with one of our Nation's greatest resources.

The United Mine Workers of America is not going to bore the Commission with statistical tables showing what the reserves of coal are for the area known as District 18. We believe, and properly so, that this information will be forthcoming from our Provincial Department of Mines and from the Coal Operators who hold the mining rights throughout the Provinces of Alberta and British Columbia. Suffice to say that from our know-

ledge these reserves are adequate for many years to come, and with that in mind we believe that the markets which in the past have been supplied by Alberta coal will continue as ready markets for a portion of the coal being mined in Alberta.

In the domestic coal areas particularly we believe there has been much waste by duplication of services in the distribution end of the business. To correct that condition we recommend that the operators be given an opportunity to set up a central selling agency which would act as distributor for the different fields. Drumheller is particularly adapted for such a set-up. This could be organized on a voluntary basis provided the majority of producers agreed to such a scheme.

We also believe that such an agency would be beneficial to the Steam Coal industry, having in mind the disastrous effects of price cutting which overcame their industry in pre-war years.

MARKETS

The extension of markets for Alberta coal is not only desirable, it is a necessity if the coal industry is to continue on a sound economic basis, and having in mind what we have said in our Chapter on "Tariffs", and believing that the present tariff arrangement is likely to continue, we contend that if such markets are to be obtained in Ontario, then the coal industry will necessarily require some form of assistance on a permanent basis.

We believe that this is justified in the interests of security and to avoid being wholly dependent on foreign supplies. The pledging of Federal assistance in order to give security for the supply of commodities necessary for national safety is, in our opinion, justified by the facts and the experiences of these war years.

To that end we recommend that a Freight Subvention sufficient to allow movement of coal to the Ontario market be established; and that it be made permanent for at least a ten-year period; that only coal suitable for shipping and storage be allowed to enter the market, and that coals not so suited be given preferential treatment in the home market in order that there be no discrimination against districts or against operators.

We believe that this form of assistance is in the national interest, and, therefore, coal being shipped to the Ontario market with Government Subventions would be subject to Government supervision and assistance other than the payment of subsidies. By that we mean that the Dominion Fuel Board, or some similar agency should be set up as a functioning department, on which coal producers and labour should have representation, empowered with authority to:

1. Encourage the establishment of central selling agencies, and interest themselves in the

sale, delivery and consumption of fuel in the national interest.

- 2 Supervise and standardize sizing and grading coals, and classify coals and (by) certifying as to the origin, quality and such other pertinent facts as may be in the interest of the coal industry
- 3 Recommend to the public and to business interests the most economical fuels most suitable to their needs, or to the needs of their business, and by educational campaigns endeavour to secure the best results from various fuels.
- 4 Promote and stimulate in every way the manufacture of by-products from coal in Canada.
- 5 To co-ordinate distribution, eliminating waste and duplication of services
- 6 Such other matters relating to the improvement of the coal industry generally

Such a body should have the co-operation of the coal industry, and with that co-operation it would not be difficult for the industry and the Government to set up rules and regulations governing the movement of coal that would be acceptable and beneficial to the industry and to the Nation as a whole.

FREIGHT RATES

There is a strong feeling, both among the miners and some coal operators, that the present freight rates on coal shipments to Eastern markets are excessive. Investigations in the past to estimate the cost took into consideration all classes of freight from first to tenth class, and by this method the average freight cost of shipping coal to the Eastern market was established. In addition to that they doubled the cost, claiming that the expense of bringing empty cars back to the mining districts was as great as when shipping full cars to the Eastern market. The Barlow Commission (1935) recommended a reduction in freight rates of 50c per ton. However, this recommendation has never been implemented.

We believe that your Commission should make a complete study of freight rates on coal with the purpose of establishing more equitable freight rates.

CONTROL OF DEVELOPMENT

The United Mine Workers of America are unalterably opposed to the opening up new mines and new coal areas unless and until full employment under decent working conditions and wages are guaranteed to those already in the industry, and we believe that orderly development can be brought about only by restricting the opening of new mines until there is a definite market assured for the product and by that we mean sufficient market to guarantee five days a week employment to the mine workers.

During the depression years prices of coal were depressed to the place where many operators were unable to keep their development up to a point of good mining practice. This should not be allowed to re-occur. The present operators should be allowed a price for their product that will enable them to operate successfully and keep the development of their property in such shape that they could meet any emergency, such as might be brought about by extreme weather conditions, or other necessities that might arise.

Too long have some coal consumers looked upon the coal industry to come to their aid on short notice with a fuel supply, but neglect to give the coal industry generally the consideration it deserves in normal times. We have witnessed mines lying idle for months at a time, or working short time, and then on very short notice, are expected to fill the requirements to the consumer at peak production for a short period. This refers particularly to the railroads and we see no reason why large consumers of coal cannot estimate their requirements and allow the industry to function normally over the year instead of requiring peak production for three months and then little, if any, in the intervening months. This tends to increase the cost of production, and certainly is not only grossly unfair and unjust to the operators but to their employees who are expected to sit around or barely exist for periods of months in order to be ready to meet the convenience of the coal trade when they desire increased supplies.

Such a condition cannot, and in our judgment, will not be tolerated again, for with the co-operation of all the parties concerned, it would require only orderly planning and orderly marketing methods to eliminate this abuse.

We recommend that steps be taken to correct this condition in the mining industry.

NANAIMO COAL AREA (Nanaimo, British Columbia)

Production in this area has been declining through the years from its peak in 1922 when 3,384 men were employed to the present day when the industry is employing approximately 500 men. There are conflicting opinions widespread in the area concerning the coal reserves and the possibility of the mining industry being continued successfully in this area.

The United Mine Workers of America are not in a position to come before this Commission with any definite evidence but we do feel that an industry that has contributed so much in the past to the general welfare of the people of Nanaimo and district should not, and cannot, be allowed to pass out of existence, if coal reserves are available for the continuation of this industry.

Representations have been made to the Provincial Government in the past—and as late as August, 1944. We quote from the Brief submitted on behalf of the Corporation of the City of Nanaimo, the Nanaimo Board of Trade, the Nanaimo Rotary Club, the Nanaimo Kiwanis Club, the Nanaimo Gyro Club, the Nanaimo Kinamen Club, the Nanaimo Branch Canadian Legion, and Nanaimo Local Union, No. 7355, District 18, United Mine Workers of America, to the Honourable G. S. Pearson, Minister of Labour of the British Columbia Government, on August 13th, 1944:

"We suggest in view of the conflicting reports, and the general lack of information directly bearing on the future of the coal industry in this area that the Government put up a sum of money for the purpose of conducting the proposed physical survey under the supervision of a properly qualified engineer employed by the Government. We have reason to believe that areas outside of those controlled by the Canadian Collieries have great possibilities and these areas should be included in any physical survey that may be undertaken.

"We are of the opinion that the British Columbia and Federal Governments have a responsibility of making sure that this natural resource which was granted the Dunsmuir interests and later passed on to the Canadian Collieries (Dunsmuir) Limited to develop for the benefit of the citizens generally, be all extracted before the Company is allowed to abandon the area, or forfeit all rights to the Crown."

Since that time the Canadian Collieries (Dunsmuir) Limited has opened up a new mine in the Nanaimo area and we understand that it is nearing commercial production.

It is our understanding that the Royal Commission on Coal has engaged the services of a competent mining engineer, and we believe that

the Commission should instruct the said engineer to thoroughly investigate this area, and in addition thereto the Federal and Provincial Governments should make an exhaustive survey in conjunction with the Commission's engineer to appraise definitely and conclusively the extent of workable coal reserves in the Nanaimo area. If the reserves are found to be of such a nature and supply that they can be successfully operated, either the present holders of the coal rights should immediately develop these reserves or forfeit their rights to the Crown, and make such areas available to any responsible operating company who will be prepared to operate them in order that the coal from the Nanaimo area, for which we believe there is a ready market, be made available for the residents of the West Coast who for years have purchased this coal in preference to competing coals.

On the other hand, if it proves that most of the extractable coal has been removed from the area, and this can be definitely shown by competent mining engineers, then the people who have depended on the coal industry for a livelihood will accept the inevitable and will take steps to move from this part of the country to other coal areas or rehabilitate themselves in some other line of work.

To us this is a most reasonable request as it is only fair that those who have invested their money and lifetime savings in homes in this area with the feeling and hope that the coal industry would be a continuous one, should know the facts and we trust that your Commission will give earnest consideration to our plea and act as expeditely as possible to ascertain these important facts that have so long been a matter of conflicting opinions and argument.

CLOSED CAMPS

In Western Canada there are several "Closed Camps" where the Coal Company owns the miners' houses, the stores and all buildings in the community. We believe that this system should be abolished and that an end be put to this "closed-camp" system immediately.

Many of the houses in these Closed Camps are old and in a bad state of repair. Provision should be made immediately for building lots to be made available to the workmen in order that they may have their own homes, and under the National Housing Act an opportunity will be made available for them to finance such undertakings.

In fairness to some of the Companies who operate "Closed Camps", there are those who have made an effort to keep them in a fair state of repair and who make certain alterations and repairs from time to time, but this is not the general rule, as the Commission may find out by its observation of certain Closed Camps in Alberta and Southeastern British Columbia.

Another matter which is of paramount importance in coal mining industries concerns the water supply and sanitation generally. In many

of these camps the installation of proper sanitation facilities has too long been delayed, for most of the Companies could well afford better accommodation for their employees and provide better facilities to meet their sanitary requirements than those which are today in existence. The day of having the front streets decorated with rows of "privies" should be long past, and greater care must be given to modern sanitation methods in the interests of the health of the people whose lot it is to live in these communities. 674

We, therefore, ask this Commission to recommend to the proper authorities that this condition be abolished and that, as long as the Company owns all the land and houses in the mining camps, they should be compelled by law to build proper water dams and install proper water and sewage disposal systems

We also recommend that all Closed Camps in Alberta and British Columbia be declared "Open Towns", and the miners working in the mines be allowed to either purchase some of the Company houses, or buy land on which to build their own homes

We further recommend that these towns should be open to outside business interests who desire to operate within their limits.

WELFARE FUND

The fact that the coal mining industry is a hazardous one is well known to the members of this Commission, and that coal mining communities lack the facilities that are provided in larger centers must be obvious to you, Sirs, from even casual observation of coal mining communities in Canada. With this in mind, the United Mine Workers of America, therefore, recommend that a "Mining Industry Welfare Fund" be set up by means of a royalty on all coal produced, to which the Provincial Governments should contribute out of the royalties they are now receiving on coal. This Fund could be administered by a Board with employer and employee representation, as well as representation from the Government of the Province in which it operates. 900d

We believe that this would not work a hardship on the industry as many operators are now charging a per-ton depletion cost on extracted coal which they are merely leasing from the Crown and do not own outright. We contend that this charge is unjustified and yet it is allowed to continue.

Part of the Fund should be applied to research into methods of improving health and safety of the workers in and around the mines. Part should be diverted for recreational purposes—libraries, play grounds and swimming pools, etc and to generally improving the well-being of the community. We believe that such a plan is in operation in Great Britain and has proved its value.

RETIREMENT PENSIONS

Retirement pensions are now generally considered by enlightened industrialists as a right to employees who have given long years of service to an employer, and if there is one industry in Canada, or for that matter in the World, where the employees are entitled to such consideration, we say without hesitation that the mining industry should be the first to qualify. The only pension scheme that we know of in existence today in the coal mining industry in Canada is that which was originated in Nova Scotia by the Dominion Coal Company Limited, and while it is said to be totally inadequate, it, at least, establishes a principle with which we are in hearty agreement.

If an arrangement could be made whereby the industry, the Government, and the employees could subscribe to a pension scheme based on years of service within the industry, as well as on an actuarial basis, making it possible for employees to change from one employer to another within the industry, rather than on the narrow basis of employment by one particular Company, such an arrangement would, in our judgment, allow men to leave the industry on reaching a stated age and thus leave vacancies enabling younger men in the community to take their places, instead of the prevailing rule today that men engaged in the mines in many cases must continue far beyond the time when they should have been able to discontinue working at that hazardous occupation.

We ask your Commission to give serious consideration to this important problem and trust that you may be able to recommend a suitable solution.

SUMMARY

1. The United Mine Workers of America are definitely opposed to the placing of a premium on the development of uneconomic properties at low wage rates.
2. Industrial relations vary directly with employment conditions but on the whole, and in comparison with the rest of Canada, are good.
3. We recommend that a National Fuel Policy be brought into being; also the setting up of voluntary central selling agencies.
4. We recommend that the Government assist the coal industry by Freight Subventions, to be permanent for at least a ten-year period, and sufficient to allow Alberta Coal to move to the Ontario market.
5. We recommend that a thorough investigation be made into the question of freight rates on coal moving to Eastern Canada.

6. We recommend that a Dominion Fuel Board be established and clothed with authority to regulate and assist the coal industry.

7. We reiterate that the United Mine Workers of America are opposed to the opening of any new mines or mining areas until markets are first secured for those already in operation. ?

8. We recommend that the larger consumers of coal, by orderly planning and marketing, estimate their needs in order to eliminate spasmodic operation.

9. We recommend that the Nanaimo Coal area be surveyed by engineers working for the Commission, the Federal and British Columbia governments, with the purpose of appraising the remaining coal reserves.

10. We recommend that the "Closed Camp" system be abolished and the inhabitants allowed to build their own homes; also that the mining communities should be properly planned and modern drainage and sewerage systems installed.

11. We recommend the establishment of a Welfare Fund out of Royalties on coal.

12. We recommend the adoption of a pension scheme to cover employment within the industry rather than with one particular employer.

Respectfully submitted on behalf of

UNITED MINE WORKERS OF AMERICA,
DISTRICT 18.

Robert Livett, President.

Edward Boyd, Acting Secretary.

DATE DUE SLIP

[illegible]

